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MSC BRIEFING

2 JANUARY 1957

INDONESIA

I. Army defections on Sumatra face Indonesian Government with threat of civil war and danger of resumed Communist influence on scale more serious than any time since '48.

A. In North Sumatra, local commander, Col. Simbolon, on 22 Dec. seized provincial government (Medan), severed relations with Djakarta.

1. Simbolon deposed on 27 December by Lt. Col. Ginting (loyal to Djakarta).
2. Simbolon escaped from Medan. Djakarta has given him until 5 January to surrender.

B. At last reports, simbolon had reached Tarutung (MAP) in his home district of Tapanuli.

1. 18 months ago, Simbolon erected barracks and ammunition dumps in Tapanuli, where he is "favorite son" of some million Christian Bataks.
2. Tarutung is HQ for the Third Regiment, which has refused to recognize Ginting, as has the First Regiment at Kataradja.
3. These regimental commanders have stated their loyalty to Sukarno and the army chief of staff, but they are believed unwilling to take action against Simbolon.
4. Of the 13,000 troops in North Sumatra, about half now believed friendly to Simbolon, while other half presently support Ginting.

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II. Earlier, on 20 Dec, the army commander in Central Sumatra (Lt. Col. Hussein, a subordinate to Simbolon) took control of provincial government, claiming dissatisfaction with Djakarta.

A. Hussein commands 5,000 troops, with HQ at Padang.

B. Appears to be close connection between Hussein and Simbolon.

C. Meanwhile, former Chief of Staff Lubis--who attempted a coup

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in mid-November--

joined Simbolon.

III. Finally, on 24 Dec, the civilian governor of South Sumatra, blocked further transfer of revenues normally flowing to Djakarta.

A. Although governor claims action is unconnected with "politics and provincialism," complicity with Simbolon is possible. Commander in South Sumatra, with 10,000 troops, presently cooperating with governor.

IV. Thus, Djakarta facing three-fold problem.

A. First: threat to survival Ali cabinet.

1. Disaffected army elements have called for Ali cabinet's resignation and return of former vice president Hatta.

2. Masjumi, Indonesia's largest Moslem party (22% of parliament), also threatens to withdraw.

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B. Nahdlatul Ulama (NU), third major party in cabinet (17% of parliament), wants to preserve Ali cabinet but is divided on question of possible cooperation with Communists.

1. Despite recent election of right-wing party chief, we believe NU can be pressured by Ali and Sukarno into remaining in a cabinet dependent on Communist support.

C. Second problem: Communist exploitation of Sumatran developments.

1. Communists already benefiting in North Sumatra from deposition of strongly anti-Communist Simbolon.
2. His successor, Ginting, is reported friendly to Communists--has permitted them broadcast over government radio in his support.
3. Party newspapers in Djakarta are strongly condemning the Sumatra incidents, bidding for renewed cooperation with Ali.
4. Ali's own newspaper now charging US with "cloak and dagger" maneuvers aimed at Government's downfall.

D. Third problem: possibility of chain reaction to Sumatran events in other non-Javanese areas.

1. Outlying islands are discontented over lack of regional autonomy, scant funds channeled to them from Djakarta, Ali cabinet's inefficiency and high-level corruption.
2. Feeling particularly strong in Celebes.

E. Djakarta also faces economic squeeze. Some 65% of Indonesia's foreign exchange comes from Sumatran exports.

IV. If civil war starts in Sumatra, Simbolon's ultimate success is doubtful, but the trouble would drag on for a long time.

A. Any Sumatran fighting would encourage other Indonesian dissident movements--now quiescent--to renew activities.

B/ Would also stimulate federal and separatist sentiment in Celebes, South Moluccas, and possibly Borneo.

V. Most prospects threaten damage to US interests.

A. Loss of Simbolon as army leader would remove the last of outstandingly anti-Communist and pro-Western commanders.

1. Simbolon will probably be unable to regain an influential position in army, whether or not he surrenders by 5 January.

B. On other hand, if Ali cabinet resigns to avoid Simbolon's threat of civil war, any new parliamentary cabinet (its membership determined by Sukarno) would share vices of present one.

C. If, instead, Ali cabinet survives, can expect more friendliness towards Communists.

D. Still another alternative--coalition cabinet including Communists--would have obvious adverse effect on US interests.

VI. Sukarno--who is still the controlling power in Indonesian affairs--is unlikely to accept still another alternative--proposed both by army dissidents and Indonesian conservatives--that is: appointment of "presidential" cabinet under himself or Hatta.

A. However, this alternative is very nearly the only one that offers hope for strong and responsible Indonesian government.

B. Sukarno's hand might be forced, if the security situation is worsened by further defections in the outer islands, or by other developments.

1. In this connection, Indonesia's national chief of police (who controls an 18,000 man "mobile brigade", scattered in small units throughout the archipelago) favors cause of army dissidents.